

Message Text

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ACTION NEA-09

INFO OCT-01 ISO-00 AEC-05 AID-05 CEA-01 CIAE-00 CIEP-01

COME-00 DODE-00 EB-07 FEAE-00 FPC-01 H-01 INR-07

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FM AMEMBASSY AMMAN

TO AMEMBASSY CAIRO IMMEDIATE

AMEMBASSY DAMASCUS IMMEDIATE

INFO SECSTATE WASHDC 3822

AMEMBASSY BEIRUT

AMEMBASSY DHAHRAN

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

C O N F I D E N T I A L AMMAN 1075

E.O. 11652: GDS

TAGS: ENRG, JO, SA, US

SUBJECT: TAPLINE AND JORDAN

REF: STATE 030658 AND PREVIOUS

1. ON RECEIPT REFTEL I ASKED TO SEE PRIME MINISTER RIFAI. MORNING FEBRUARY 12 TOLD HIM THERE WAS LITTLE WE COULD NOW DO AT PRESENT TIME BUT THAT WE ENCOURAGED HIM TO ARRANGE TO SPEAK WITH SAUDIS AS SOON AS POSSIBLE. WE WOULD THEN LIKE TO HAVE SOME REPORT BACK FROM HIM AT WHICH TIME WE WOULD TAKE ANOTHER HARD LOOK AT THE PROBLEM. I ADDED, THAT IN ADDITION TO APPROACHING THE SAUDIS, HE MIGHT ALSO LIKE TO HAVE A LOOK AT \$80 MILLION FUND ESTABLISHED IN KUWAIT (KUWAIT 603) TO PROVIDE LOW INTEREST LOANS TO ARAB STATES STRICKEN BY ARAB OIL PRICE RISE.

2. RIFAI SAID THAT HE WAS PLANNING TO SEND TWO EMISSARIES

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SHORTLY TO SAUDI ARABIA CARRYING LETTER FROM KING HUSSEIN

TO KING FAISAL. THE TWO EMISSARIES WOULD BE GOVERNOR OF CENTRAL BANK, SAID NABULSI, AND PRIVATE BUSINESSMAN AND OWNER OF ARAB BANK, ABD AL-MAJID SHOUMAN. NABULSI IS EXPERT ON INTRICACIES OF PROBLEM AND SHOUMAN, FROM LEADING PALESTINIAN FAMILY, APPARENTLY HAS CLOSE CONNECTIONS IN SAUDI ARABIA. RIFAI IS AWARE THAT "DEFENSE" AND "SECURITY" ARGUMENT (JIDDA 826) LIKELY TO BE INFLUENTIAL WITH SAUDIS. HE ALSO INTENDS TO POINT OUT THAT SAUDIS HAVE BEEN GENEROUS IN PROVIDING AID TO JORDAN BUT THAT TAPLINE REQUEST FOR \$50 MILLION WOULD EAT UP AT ONE BITE SAUDI CONTRIBUTION IN 1975 TO JORDAN UNDER RABAT WAR CHEST. RIFAI SAYS HE KNOWS THAT SAUDIS HAVE PROVIDED SUBSTANTIAL SUPPORT TO EGYPTIANS IN CONNECTION WITH OIL PURCHASES. HE DID NOT SEEM VERY INTERESTED IN KUWAIT FUND, AS I THINK HE BELIEVES HE CAN GET MORE HELP WITH DIRECT APPROACH TO SAUDIS.

3. RIFAI USED OCCASION OF OUR TALK TO VENT HIS ANGER AT TAPLINE. NOTED THAT TAPLINE TRYING TO BLACKMAIL JORDAN AND THAT JORDAN HAD MADE REASONABLE OFFER TO GET NEGOTIATIONS GOING WHICH TAPLINE IGNORED. WHILE JORDAN HAS NOT PAID FOR OIL TAPLINE HAD SIMILARLY NOT PAID JORDANIAN ROYALTIES ON USE OF LINE. TAPLINE CONTRACT PROVIDED IT SHOULD SUPPLY JORDAN'S MINIMUM NEEDS AND TAPLINE HAD FINALLY ADMITTED IT NEEDED NO BOOSTER PUMP TO DO THIS. SAUDIS WOULD BE ANGERED WITH TAPLINE APPROACH AND MIGHT ACTUALLY TAKE OVER THE PIPELINE OR USE OCCASION TO ORDER TAPLINE TO FULFILL REQUIREMENTS. RIFAI, AS HE GOT MORE IRATE ABOUT SITUATION, SAID THAT HE WAS SERIOUSLY THINKING OF TALKING TO LEBANON AND SYRIA (HE PRESUMED SAUDIS WOULD COME ALONG) ABOUT NATIONALIZING LINE. TAPLINE COULD NOT GET AWAY WITH CUTTING OFF VITAL RESOURCE TO JORDAN.

4. I URGED RIFAI TO MOVE AHEAD WITH SENSIBLE NEXT STEP OF TALKING TO SAUDIS AND TO LEAVE ANY RASH ACTIONS ON THE SIDE. UNTIL HE HAD DISCUSSED ISSUE WITH SAUDIS THERE WAS LITTLE SENSE IN TALKING ABOUT TAKING OVER LINE. HE AGREED, AND SAID HE WOULD STAY IN CLOSE TOUCH WITH US. HE ADDED, HOWEVER, THE DODGE OF TAPLINE PROMISED HIM RESPONSE WITHIN THREE OR FOUR DAYS OF LAST MEETING, BUT WEEK HAD GONE BY AND HE STILL HAD NOT HEARD.

5. COMMENT: TAPLINE APPROACH TO THIS PROBLEM HAS CLEARLY
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NOT WON ANY AWARDS IN AMMAN FOR CONSTRUCTIVE NEGOTIATIONS. NEVERTHELESS RIFAI SEEMS TO BE CONVINCED THAT A TRIP TO RIYADH IS NEXT AND BEST STEP. HOWEVER, BELIEVE WE CAN EXPECT TO BE OBJECT OF CONTINUING ATTEMPTS TO INVOLVE US IF SITUATION REMAINS UNSETTLED. IN LAST ANALYSIS, RIFAI'S TALK OF TAKING OVER PIPELINE SHOULD BE TREATED AT PRESENT AS ABOUT 99 AND 44/100 PERCENT BLUFF, BUT WE NOT SURE, GIVE POSSIBLE SAUDI, SYRIAN AND LEBANESE ACQUIESCENCE THAT IT SHOULD BE ENTIRELY EXCLUDED AS ONE,

ALBEIT UNHAPPY POSSIBLE FUTURE OUTCOME.
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